

No major surprises were seen in the December USDA report today. The ending corn stock estimate was reduced by 50 million bushels down to 1.299 billion. The drop in the carryover was a function of the 50 million bushel increase in the export estimates. Worldwide corn carryover was down just over 2 million tons leaving the number at 74.24 million metric tons. The average farm price was increased in the U.S. (by about 10 cents) and the range now sits at \$2.00 - \$2.40. Whilst the global picture is friendly and demand items remain strong it is unlikely we will see a big jump up in corn prices. Soybean futures have risen about 20 cents since the release of the November monthly report. The U.S. balance sheet was left alone leaving the carryover at 125 million bushels but traders were anticipating a small drop in the number due to speeding demand pace – but it didn’t happen. It seems that the USDA is counting on a slow down in demand in the second half of the year due to a record South American soybean crop. We are now moving into the all-important growing season in South America so be prepared for news items to focus on this and volatility to pick up again on any changes in S. American weather patterns. Export sales at the end of the week were slightly negative – 360,000 metric tons way below the guesses of 400-600,000 tons. Overnight trade on China’s Dalien futures exchange (soybeans) was sharply down which casts a negative tone to the longer term outlook. Wheat futures in Chicago remain unchanged, KC and Minneapolis up about a dime since the release of the November report. The domestic balance sheet tightened a bit in this month’s report with carryover dropping to 583 million bushels versus 605 last month. The change was due to an increase in exports. Production increases in Australian and Canadian numbers offset decreases in EU and Argentine figures. The Chinese import estimate was raised to 1 million metric tons versus 500,000 last month. From the bull side – export projections are expected to rise for all three grains, Chinese corn exports are projected to drop by 70% in 2004 and from a technical standpoint wheat looks supported. From the bear side – the sharp fall in China’s soybean futures might have a lot of information in it. The next monthly USDA report will be on Monday, January 12th.

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH(Dec03)	NEW(Dec03)	CASH(Jan04)	NEW(Nov04)	CASH(Dec03)	NEW(Jul04)
Western MD	+30	N/A	-44	N/A	-36	N/A
Central MD	+19	N/A	-38	N/A	-2	-12
Southern MD	+12	+1	-21	-23	N/A	-22
Upper E. S	+22	+6	-26	-23	N/A	-19
Lower E. S	+32	+13	-18	-13	-38	-20

The Weekly Crop Weather Summary will resume in April 2004

CASH GRAINS - REGIONAL - (\$/bu) DEALERS AVERAGE CASH QUOTES								
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	12/03	12/11	12/03	12/11	12/03	12/11	12/03	12/11
Western Md	2.76	2.78	7.28	7.32	3.48	3.40	2.45	2.45
Central MD	2.67	2.67	7.34	7.38	3.90	3.74	2.50	2.50
Southern MD	2.62	2.60	7.43	7.55	----	----	----	----
Upper E. Shore	2.72	2.70	7.38	7.50	----	----	----	----
Lower E. Shore	2.80	2.80	7.47	7.58	3.50	3.38	1.40	1.40
Soybean Meal Lower Eastern Shore Dealer's Average Cash Quotes (\$/ton)								
Date	12/03		12/11		Date		12/03	
48% Soybean Meal	270.00		267.00		44% Soybean Meal		258.00	
FORWARD CONTRACT PRICE-REGIONAL (\$/bu) For Harvest delivery Dealer's Avg Quote								
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	12/03	12/11	12/03	12/11	12/03	12/11	12/03	12/11
Western Md	----	----	----	----	----	----	----	----
Central MD	----	----	----	----	3.58	3.50	----	----
Southern MD	2.49	2.49	5.77	5.92	3.48	3.40	1.45	1.45
Upper E Shore	2.54	2.54	5.77	5.92	3.51	3.43	1.55	1.55
Lower E Shore	2.61	2.61	5.77	6.02	3.50	3.42	1.51	1.51
GRAIN FUTURES - Chicago Board of Trade (cents/bu) -Dec 10, 2003								
Corn		Soybeans		Wheat		Soybean Meal ¹		
Dec	249.75	Ja04	785.00	Dec	386.50	Dec	231.50	
Mr04	249.75	Mar	785.50	Mr04	398.75	Ja04	232.40	
May	252.25	May	771.00	May	396.25	Mar	233.00	
Jul	254.00	Jul	757.00	Jul	369.75	May	231.00	
Sept	250.50	Aug	731.00	Sept	373.00	Jul	227.80	
Dec	249.00	Sept	678.50	Dec	384.50	Aug	218.00	

¹ \$/ton

HAY AND STRAW (\$/cwt)							
New Holland, PA - \$/ton - Dec 08, 2003 - 110 Loads							
Alfalfa		Mixed	Timothy	Orchardgrass	Straw		
75.00-140.00		70.00-220.00	70.00-207.00	65.00-150.00	95.00-195.00		
Westminster, MD - \$/bale - Dec 08, 2003 - 158 Lots							
Alfalfa		Alfalfa Mixed	Timothy	Timothy Mixed	Grass		
1.80-5.80		2.50-5.10	1.50-4.00	2.00-3.70	1.10-4.00		
Southern, MD - Regional Farmers' Market - \$/bale -			Next Sale Dec 20, 2003				
POULTRY (Grade A) - Week Ending Dec 13, 2003 - Negotiated Price, (\$/cwt)							
	Current Week		Week Ago		Month Ago		
NY Wtd Avg. (Fryers)	62.26		61.25		59.50		
12-City Composite	66.01		65.37		63.77		
LAMBS - Westminster, MD - \$/cwt - Dec 09, 2003							
H-Ch-Pr	90-120 lbs	110.00-122.00		Sheep 14 hd	50.00-66.00		
	70- 90 lbs	120.00-130.00		Heavy Weights	35.00-45.00		
	50- 70 lbs	120.00-139.00					
TERMINAL MARKETS HOGS - Dec 11, 2003			DIRECT MARKET HOGS - Westminster, MD- Dec 09, 2003				
Base Price Range	Carcass Basis	Sows (1-3)	# 1&2	240-270 lbs	39.00-42.00		
a.m.	Base 185 lb Hog	300-449 lbs	Sows	350-450 lbs	31.00-32.25		
Eastern Cornbelt	39.00-47.75	22.00-32.50					
Iowa, Minn	39.50-49.50	21.00-30.20	Millsboro, DE Market Hogs - (\$/cwt) - Next Sale Dec 16, 2003				
FEEDER PIGS - (\$/cwt) -							
Gumboro, DE -			New Holland, PA				
Head:	Trend:		Head:	slaughter	Effective Immediately		
	Next Sale Dec 16, 2003		All pigs are mandated to go to slaughter. No feeders will be reported until further notice				
CATTLE-LIVE FUTURES-Chicago Mercantile Exchange (\$/cwt) - Dec 10, 2003			HOGS-LEAN FUTURES-Chicago Mercantile Exchange (\$/cwt) - Dec 10, 2003				
Dec	94.02	Apr	81.07	Dec	49.72		
Ja04	91.30	Jun	74.55	Fb04	52.70		
Feb	88.70	Aug	73.55	Apr	55.37		
STOCKER-FEEDER CATTLE - (\$/cwt)							
Winchester, VA - Dec 08, 2003			Westminster, MD - Dec 09, 2003				
Steers	300- 400 lbs	92.00-141.00		Steers	350- 500 lbs	94.00-110.00	
	400- 500 lbs	87.00-120.00			500- 600 lbs	90.00-105.00	
	500- 600 lbs	85.50- 97.50			600- 800 lbs	77.00- 93.00	
	600- 700 lbs	80.50- 88.00			300- 500 lbs	80.00- 93.00	
	Heifers	300- 400 lbs	92.50-106.50		500- 600 lbs	78.00- 90.00	
		400- 500 lbs	88.50- 97.00		600- 700 lbs	74.00- 85.00	
		500- 600 lbs	77.00- 90.00		Bulls returning to farm		
		600- 700 lbs	76.50- 83.50		#1	94- 115 lbs	135.00-150.00
		700- 800 lbs	83.00- 87.00		#2	94- 115 lbs	105.00-130.00
		800- 900 lbs	75.00- 85.00		Several Young		60.00- 90.00
Lancaster, New Holland & Vintage - Week Ending - Dec 13, 2003			Heifers	#1	90- 110 lbs	350.00-430.00	
Bull, Holstein	90- 120 lbs	115.00-132.00		Plainer	90- 120 lbs	90.00-111.00	
Heifers, Hols	90- 120 lbs	400.00-530.00		Plainer	90- 120 lbs	300.00-400.00	
SLAUGHTER CATTLE (\$/cwt)							
Westminster, MD - Dec 09, 2003							
Fed Steers			Fed Heifers				
H-Ch-Pr	1400-1500 lbs	106.00-108.00	H-Ch-Pr	1400-1500 lbs	100.00-106.00		
Select	1200-1450 lbs	80.00- 89.00	L-Ch	1100-1300 lbs	87.00- 94.00		
H-Ch-Hols Pr	1400-1650 lbs	90.00- 97.50					
Ch 2-3	1200-1500 lbs	80.00- 86.00	Calves				
L-Ch	1500-1650 lbs	74.00- 80.00	Good	80- 110 lbs	60.00- 75.00		
Cows				70- 80 lbs	50.00- 60.00		
Breakers		48.00- 55.25					
Boners		47.00- 52.00					
Lean		40.00- 47.00					
Thin & Light		40.00-DOWN					
Lancaster, New Holland & Vintage - Week Ending - Dec 13, 2003							
Steers, Choice, 2-3	1195-1480 lbs	99.00-103.00	Down \$2.00 - \$3.50				
Heifers, Choice2C	1255-1545 lbs	90.00-94.00	Down \$2.00 - \$2.50				
Cows, Breakers 75-80 pct lean		51.00-55.00	None				
Bulls, YG 1	1160-1495 lbs	58.00-63.00	Mostly Steady				
Vealers, Standard & Good	75-130 lbs	35.00-62.00	None				